



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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State Controller, Sacramento

JAMES E. SPEED
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Capitol Square, Sacramento
January 8-9, 2003
NOTICE AND AGENDA**

WEDNESDAY, January 8, 2003

BOARD MEETING(convenes at 9:30 a.m.) Room 121**

❖ **ORGANIZATION OF THE BOARD**

- The Board will vote to elect a Chair and Vice Chair.

❖ **BUSINESS TAXES APPEALS HEARINGS**

- ❑ Eddie Thomas, 56605
- ❑ Natural Nine, Inc. 84736
Alan K. Minato, 99815
- ❑ Woodcraft Studios, Inc., 128584
- ❑ Basic Brown Bears, Inc., 145482, 190348

BOARD COMMITTEE MEETINGS* (convenes at 1:30 p.m.) in Room 121

❖ **LEGISLATIVE COMMITTEE**

Ms. Margaret Shedd, Staff (916) 322-2376

Set forth below are suggestions for Property Taxes, Business Taxes (General, Sales and Use Tax, and Special Taxes) and Administration legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session. Additional suggestions will be included on the agenda for February, 2003.

➤ **2003 Legislative Proposals-Property Taxes**

- ❑ Amend various sections of the Revenue and Taxation Code and Government Code to specify that the Board directly consult with county assessors rather than the California Assessors' Association prior to taking actions in specified instances.
- ❑ Repeal obsolete Section 401.9 of the Property Taxes Law related to the lien date change over from March 1 to January 1 for the 1997-98 fiscal year for certain open space and timberland preserve zone contracts.
- ❑ Repeal obsolete Sections 5098 and 5098.5 of the Property Taxes Law.
- ❑ Amend Sections 75.31 and 534 of the Property Taxes Law to allow certain notice requirements to be Board-approved rather than Board-prescribed.
- ❑ Repeal Section 75.30 of the Property Taxes Law to eliminate a notation that a supplemental assessment is pending on the roll being prepared.
- ❑ Amend Section 218 of the Property Taxes Law to correct a cross reference error.
- ❑ Amend Section 194 of the Property Taxes Law to update the minimum amount of damage to qualify for property tax deferral from \$5,000 to \$10,000.
- ❑ Amend Sections 423 and 439.2 of the Property Taxes Law to change the date by which the Board is required to publish information used to value certain properties.
- ❑ Amend Section 1609.5 of the Property Taxes Law to reimburse the Board for its full costs when employees are subpoenaed at assessment appeals hearings and update the reference from the executive secretary to the executive director.

- ❑ Amend Section 63.1 of the Property Taxes Law to limit decedent “parents” to the birth parents (or the adopted parents) of that grandchild for purposes of qualifying for the grandparent-grandchild change in ownership exclusion.
- ❑ Amend Section 69.5 of the Property Taxes Law to allow a base year value transfer on a prospective basis after the three-year time period for filing a claim for a base year value transfer has expired.
- **2003 Legislative Proposals-Business Taxes (General)**
 - ❑ Amend Sections 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332 and 60636 of the Revenue and Taxation Code to add a record retention period for the public record created for each tax settlement in excess of five hundred dollars (\$500).
- **2003 Legislative Proposals-Business Taxes (Sales and Use Tax)**
 - ❑ Amend Section 6405 of the Sales and Use Tax Law to increase the use tax exemption for the amount of tangible personal property purchased in a foreign country and personally hand carried into this state from \$400 to \$800 to conform with changes in the federal duty free exemption.
 - ❑ Add Section 6487.06 to the Sales and Use Tax Law to allow unregistered in-state purchasers, as defined, to voluntarily report to the Board, under certain stated conditions, untaxed purchases which are subject to the use tax. The period of time for which a deficiency determination may be mailed for such reported use tax is limited to three years.
 - ❑ Amend Section 6459 of the Sales and Use Tax Law to allow for tax payment extensions due to a delayed budget to be effective until the last day of the month following the month in which the budget is adopted.
 - ❑ Amend Section 1653.5 of the Vehicle Code to allow the Board to access the social security number data maintained by the Department of Motor Vehicles.
- **2003 Legislative Proposals-Business Taxes (Special Taxes)**
 - ❑ Amend Sections 8105 and 60507 of the Revenue and Taxation Code to extend the period for filing a refund on tax-paid fuel.
 - ❑ Amend Section 7326 of the Motor Vehicle Fuel Tax Law to exclude “racing fuel” from the definition of “motor vehicle fuel”.
 - ❑ Amend Section 60022 of the Diesel Fuel Tax Law to correct an inadvertent drafting error.
 - ❑ Amend Sections 60604 and 60606 of the Diesel Fuel Tax Law to add the terms qualified highway vehicle operator, highway vehicle operator/fueler, pipeline operator, and vessel operator to the record section of the Diesel Fuel Tax Law.
- **2003 Legislative Proposals-Administration**
 - ❑ Amend Section 19131 of the Personal Income Tax Law to provide a rebuttable presumption that the late filing penalty does not apply when, under certain circumstances, the corresponding federal late filing penalty is determined not to apply.
 - ❑ Add Section 483.7 to the Penal Code to make it a crime to use any badge, identification card, or other insignia of any department or agency of the State of California for fraudulent purposes. Amend Section 530.5 of the Penal Code to make it a felony to obtain personal identifying information using a fraudulent federal, state, or local government form.

❖ **BUSINESS TAXES COMMITTEE**

Mr. Ramon Hirsig, Staff (916) 445-1441

- Proposed regulatory changes regarding the application of tax to jewelry repairs (Regulation 1553, Miscellaneous Repair Operations)

BOARD MEETING (convenes upon adjournment of the Business Taxes Committee) in Room 121**

❖ **FRANCHISE AND INCOME TAX APPEALS HEARINGS**

- ❑ Stephen A. Kellenberger, 93388
- ❑ Canon U.S.A., Inc., 55446
- ❑ Alps Electric (USA), Inc., 55001

Thursday, January 9, 2003

BOARD MEETING(convenes at 9:30 a.m.) Room 121**

❖ **CLOSED SESSION**

- Discussion and action on Personnel Matters (Govt. Code § 11126(a))

❖ **ADMINISTRATIVE SESSION**

➤ **CONSENT AGENDA**

❑ [Approval of Retirement Resolutions](#)

- Juan Benavides
- Juliana Black
- Annie Santa Cruz
- Gerald P. Dunlay
- Yong S. Park
- Victor B. K. Yee

❑ [Approval of 2003 Occupational Lead Poisoning Prevention Fee](#)

➤ **BOARD COMMITTEE REPORTS**

- ❑ Approval of the January 8, 2003 Board Committee Minutes
 - Legislative Committee
 - Business Taxes Committee

❖ **TAX PROGRAM NONAPPEARANCE MATTERS - ADJUDICATORY**

A. Legal Appeals Matters

- Petition for Rehearing
 - 1. Barnes & Noble.com, 89872

B. Franchise and Income Tax Matters

- Opinions
 - 1. Roberto Brutocao, 140415
 - Venture Communications, Inc., 141641
 - 2. California Steel Industries, Inc., 160703
- Decisions
 - 3. Wilshire Restaurant Group, Inc., 166408

❖ **TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT**

C. Legal Appeals Matters

- Petition for Rehearing
 - 1. Classic Woodworking, Inc., 89000882020
- Hearing Notice Sent-No Response
 - 2. Boaz M. Kagan, 89000292790
 - 3. Ali M. Shinnawi, 89000427120
 - 4. Alathu Srima Karunakaram, 131827
- Petition for Release of Seized Property
 - 5. Waterloo Food and Fuel, Inc., 193666

D. Franchise and Income Tax Matters

- Decisions
 - 1. Thomas M. Bond, 164436
 - 2. Chong E. Chang, 160706
 - 3. Terri Grieco, 163818
 - 4. Jeffery Hehn, 169978
 - 5. Dwight Sean Jones, 163810
 - 6. Karl D. Knepley, 166624
 - 7. Mark S. Long, 162062
 - 8. William L. Newman, Jr., 166764

9. Jerry Lee Rohrer, 149978
10. Edelmiro Rosas, 171975
11. John C. Ryan, 160247
12. Milliardaire Syverain, 166405
13. Ismael Vargas, 169753
- Petitions for Rehearing
14. Kenneth William Castleberry, 158117

E. Homeowner and Renter Property Tax Assistance Matters

- Decisions
 1. Pamela Batchman, 182616
 2. Samuel Tyrone Bullock, 164032
 3. Jose L. Castro, 163439
 4. Teresa Connery, 170348
 5. Stanya Hall, 164525
 6. David Mosley, 167615
 7. Phillip R. Powell, 173626
 8. Athina B. Salmo, 157240
 9. Pari Ungaro, 174380

F. Sales and Use Taxes Matters

- Redeterminations
 1. Cognos Corp., 193154
 2. Kern Coast Services, Inc., 89000387140
 3. Kern Coast Services, Inc., 89000387150
 4. AT&T Communications, Inc., 152004
 5. Graphic Arts Center, Inc., 89000873790
 6. ChanceCarson, Inc., 128188
 7. GWW, LLC, 185645
 8. American Thieme Corp., 135336
 9. GACSC, Inc., 89002140950
 10. Praegitzer Industries, Inc., 97863
- Denials of Claims for Refund
 11. Dade Behring, Inc., 198430

G. Sales and Use Taxes Matters

- Credits and Cancellations
 1. Graphic Arts Center, Inc., 76198
 2. Instrumentation Laboratory, Co., 169039
 3. WW191, Inc., 133446
 4. Peng Leong, 199002
 5. Pool Depot, 115727
 6. Trega Biosciences, Inc., 198332
 7. Karl X11 Swedish Antiques, 198580
- Refunds
 8. Fashion 21, Inc., 196408
 9. Borland Software Corporation, 113318
 10. Union Bank of California, N.A., 135605
 11. Union Bank of California, N.A., 157138
 12. The Mechanics Bank, 197311
 13. Asyst Technologies, Inc., 186797
 14. SFC-UCP, Inc., 196498
 15. Solar Turbines Incorporated, 198083
 16. University & State Employees Credit Union, 133096
 17. LAM Research Corporation, 191767
 18. WestAmerica Bank, 143434
 19. Western Building Spclts. of Sacramento, 196381
 20. Parker-Hannifin Corporation, 47573
 21. Mercedes-Benz Credit Corp., 146208
 22. Blake Construction Co., Inc., 141350
 23. Okamoto Corporation, 169472

24. Pilkington North America, Inc., 198491
25. Mellon Financial Services Corp. #3, 142931
26. Geico Insurance Company, 86760
27. Picker Financial Group, LLC, 181659
28. Kabira Technologies, Inc., 157135
29. Weider Publications, Inc., 198126
30. Woodland Welding Works, 197757
31. The Little Corporation, 167069
32. Signature Theatres, LLC, 171200
33. WFS Financial, Inc., 198854
34. BPP, Inc., 138868
35. Carl Zeiss Meditec, Inc., 196496
36. Sonus Networks, Inc., 171198
37. Teamfuel, Inc., 170392
38. Watkins Motor Equipment, Inc., 173651
39. Mitsubishi Motors Credit America, Inc., 115226
40. Associated Printers, Inc., 140027
41. Value Rugs, Inc., 196535
42. Burlington CT Fctry Wrhs Milpitas, 88329
43. Dade Behring, Inc., 87571
44. All Good Pallets, Inc., 160631
45. R.H. Acquisition Corp., 171201
46. Lockheed Martin Corporation, 80548
47. Desert European Motorcars, LTD., 184383
48. Vanderberg Federal Credit Union, 193828
49. Nuvision Financial Federal Credit Union, 196497

H. Special Taxes Matters

- Relief of Penalty
 1. Unum Life Ins. Co. of America, 198073 – “CF”

I. Special Taxes Matters

- Credits and Cancellations
 1. Texaco Refining & Marketing, 193201
 2. Chevron Texaco, 168878
- Refunds
 3. D 2 Tobacco, Inc., 198689
 4. County of Sonoma, 187445

❖ CHIEF COUNSEL MATTERS

J. Rulemaking

- Request for adoption of Property Tax Rules 281, “Appraiser” Defined and 282, Temporary Certification as published and adoption of the revised language to Rules 283, Permanent Certification and 284, Retention & Revocation of Appraiser Certificate

❖ PETITION FOR RELEASE OF SEIZED PROPERTY

- ❑ Super Save Market, Inc., 194665

❖ BUSINESS TAXES APPEALS HEARINGS

- ❑ I.B.I. Leasing and Renting, Inc., et. al., 115213, 134589, 134590, 134591, 134592, 134593

If you would like specific information regarding items on this Board Meeting Agenda Notice please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Deborah Pellegrini, Chief
Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.

** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function - The Deputy State Controller may not participate in this matter under Government Code Section 7.9.

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of items as they appear on the agenda. Any committee agenda item may be brought to the Board at its next meeting. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov, to make special arrangements.